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| | | |
|----|--------------------------------------|--------|
| 2 | | |
| 3 | PROCEEDINGS | PAGES |
| 4 | | |
| 5 | Hearing Officer's Opening Statement | 3 - 7 |
| 6 | BOA presentation by Mr. Romaine | 7 |
| 7 | BOA presentation by Mr. Patel | 7 - 10 |
| 8 | Questions/comments from public | 10 |
| 9 | Hearing Officer's Closure of Hearing | 59 |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
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1 HEARING OFFICER MATOESIAN: Let the record show that
2 this is a public hearing before the Illinois Environmental
3 Protection Agency in the matter of proposed issuance of a
4 Federally Enforceable State Operating Permit or FESOP and two

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5 construction permits to Adkins Energy, LLC, for its fuel
6 ethanol plant located at 4350 West Galena Road in Lena.

7 Good evening, ladies and gentlemen. Welcome to
8 this hearing. My name is Charles Matoesian, and I'll be the
9 Hearing Officer for these proceedings. I will introduce the
10 other members of the Illinois Environmental Protection Agency
11 or Illinois EPA staff at the conclusion of this statement.

12 This hearing is being held by the Illinois EPA's
13 Bureau of Air, otherwise known as BOA, permit section for the
14 purpose of providing an opportunity for the public to
15 understand and comment on the issuance of the FESOP and two
16 construction permits to Adkins Energy for its fuel ethanol
17 plant again located at 4350 West Galena Road in Lena.

18 The hearing is being held under the provisions of
19 the Illinois EPA's procedures for permits and plant hearings
20 filed in the 35 Illinois Administrative Code, Part 166,
21 Subpart A. Copies of these proceedings can be obtained from
22 me upon request.

23 After the presentation by the Illinois EPA's Bureau
24 of Air staff who will describe the proposed permits, any

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1 person who wishes to make oral comments may do so as long as
2 the statements are relevant to issues being addressed at the
3 hearing, and they have indicated that they wish to comment on
4 their registration card found at the registration desk near
5 the door.

6 Persons asking questions or making comments will
7 usually be limited to five minutes until everyone who wishes

8 to ask questions or make comments has had a chance to speak.
9 After that we'll then give people a further chance to speak.
10 If you have lengthy comments to make, please submit them in
11 writing before the close of the comment period. Those
12 persons asking questions or making comments will first please
13 state and spell their name, association, or organization that
14 they represent for the hearing record. If you are
15 representing yourself only, you can state that you are an
16 interested citizen or area resident. Then please give your
17 address. In addition, please state whether you are for the
18 issuance of the permits or against the issuance of the
19 permits.

20 Questions asked of speakers must first be framed as
21 a question; secondly, be relevant to the subject presented;
22 and thirdly, not be repetitious. Arguing or dialogue with
23 any speaker will not be allowed. Questions must be directed
24 to the Hearing Officer; that is myself, and I will then

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1 direct the speaker to respond as necessary. The Illinois EPA
2 will listen to all relevant comments, accept all relevant
3 documents as dated as exhibits into the hearing record. Once
4 the hearing is adjourned today, I will hold the hearing
5 record open until January 18th, 2004. During this time, all
6 relevant comments, documents or data will be accepted and
7 entered into the hearing record as exhibits.

8 Please send all written comments, documents or data
9 to myself, Charles Matoesian, Hearing Officer, at the
10 Illinois Environmental Protection Agency, Bureau of Air,

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11 Division of Air Pollution Control, 1021 North Grand Avenue
12 East, Post Office Box 19276, Springfield, Illinois. Zip code
13 is 62794-9276. My phone number and area code is
14 (217) 782-5544.

15 Written comments need not be notarized as to the
16 facts asserted but should be postmarked on or before
17 midnight, January 18th, 2004. Anyone who fills out a
18 registration card will receive a copy of the Responsiveness
19 Summary; that is, the Agency's response to public comments
20 and a final decision when this document becomes available.
21 If you wish to make oral comments but have a time constraint,
22 please let the Agency staff at the registration table know,
23 and I will endeavor to call upon you to speak as early as
24 possible. If you require any further information after this

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1 hearing is over, please contact me at, again, (217) 782-5544
2 or Brad Frost at (217) 782-2113. The telephone number for
3 anyone who is hearing impaired; that is, the TTD number, is
4 area code (217) 782-9143. And we would be glad to assist
5 you.

6 Because a verbatim record of this hearing is being
7 made, I would request that you keep conversation and noise
8 level to a minimum so that the court reporter can hear and
9 transcribe the proceedings. If you have a hard to pronounce
10 name, please spell it for the court reporter, and please
11 don't take offense if the court reporter asks you to repeat
12 something that you've said. We are trying to get an accurate
13 record here, and her job is to make and produce a good

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14 transcript that will accurately portray what you have said.
15 On behalf of the Director, Renee Cipriano
16 (phonetic), Illinois EPA Bureau of Air staff and myself, I
17 wish to thank you for attending and your participation at
18 this hearing. As I have said, my name is Charles Matoesian,
19 and I am the Hearing Officer. The Agency staff will now make
20 their presentation. First will be Mr. Chris Romaine. He is
21 the Bureau of Air Permit Section, Manager of the Utilities
22 Unit. Also in attendance is Mr. Minesh Patel, a permit
23 engineer in the Bureau of Air section. At this time I'm
24 going to ask

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1 Mr. Romaine to make his presentation regarding the permits.
2 Thank you.
3 MR. ROMAINE: Good evening. My name is Chris Romaine.
4 Again, thank you for coming tonight. We look forward to your
5 concerns and comments tonight. The subject of tonight's
6 hearing are air control permit applications for Adkins. We
7 are particularly interested in your comments on these draft
8 permits that we have prepared and in ways that they could be
9 improved.
10 Your comments can affect the content of these
11 permits, and it can also affect the decisions that the
12 Illinois EPA ultimately makes on these applications. At the
13 same time, this hearing is also an opportunity to express
14 other concerns about the plan to the Illinois EPA. Although
15 that certainly is not the main purpose of this hearing, it is
16 nevertheless an opportunity to communicate to us.

17 while we may not have answers to these concerns,
18 certainly not tonight, we can carry them back with us to the
19 staff in Springfield. So thank you again for coming
20 tonight.

21 MR. PATEL: Good evening, ladies and gentlemen. My name
22 is Minesh Patel. I am a permit engineer with the Bureau of
23 Air. I will be giving you a brief description of the
24 proposed permits.

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1 Adkins Energy is a new fuel ethanol plant which
2 started up in August, 2002. The plant produces ethanol from
3 corn by fermentation.

4 Adkins has applied for two construction permits for
5 changes to its plant and for a Federally Enforceable State
6 Operating Permit.

7 First, Adkins is proposing changes to the feed
8 drying system. This system dries the solids that remain from
9 corn after the starch is converted to ethanol to produce a
10 dry cattle feed. Adkins currently does not operate its feed
11 dryer system, and this material is sold as wet. Adkins has
12 proposed changes to allow its -- it to resume production of
13 dry feed. The most important change is the installation of
14 the afterburner which will be a regenerative thermal oxidizer
15 and controls the organic material from the feed drying. The
16 original dryer system did not have a combustion-type control
17 device. In addition, this new afterburner would be used as
18 the principal control for the distillation process instead of
19 the existing scrubber which would be retained for periods

20 when the dryer is not in use and afterburner is not
21 available. The new afterburner will be more efficient than
22 the existing scrubber. The new afterburner would also be
23 used to control emissions from the centrifuges.

24 In its second construction permit application,

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1 Adkins has proposed to install a permanent flare to control
2 organic material emissions from the loadout operation where
3 ethanol is loaded into truck tanks. Adkins is currently
4 using portable flares for the loadout operation. The
5 proposed permanent flare would be an enclosed flare designed
6 to achieve minimum VOM destruction efficiency of 98 percent.

7 Lastly, Adkins has applied for a Federally
8 Enforceable State Operating Permit. This permit would be
9 enforceable both at the state level and at the federal level
10 by USEPA. This permit is needed to resolve the status of the
11 plant under the federal rules for Prevention of Significant
12 Deterioration, 40 CFR 52.21. The potential emissions from
13 the plant as limited by the draft FESOP would be below the
14 major source threshold of PSD, which is less than 100 tons
15 per year of each criteria pollutant. For this purpose, the
16 FESOP would limit the plant under its current operating
17 configuration without an operating feed dryer or afterburner,
18 and after changes are made to the feed dryer system and the
19 required afterburner is installed.

20 The draft FESOP also includes other emission
21 control requirements for the plant including requirements for
22 leaking components, the wet cake operation and the emission

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23 of hazardous air pollutants (HAPs). With respect to HAPs,
24 the draft FESOPs would limit emissions from the plant so that

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1 it would not be a major source of HAPs.

2 The draft FESOP would expire 180 days after the
3 completion of the shakedown period for the feed dryer system
4 after it resumes operation. At that time Adkins would have
5 to apply for renewal of the FESOP considering the
6 demonstrated performance of the feed dryer system and
7 afterburner and other emission units and the results of the
8 emission testing.

9 The Illinois EPA has reviewed the material
10 submitted by Adkins Energy and has determined that the
11 applications meet the standard for issuance of permits. The
12 conditions of the draft permits contain limitations and
13 requirements on the activities of the plant. The permit also
14 establishes appropriate testing, monitoring, recordkeeping
15 and reporting requirements.

16 In closing, the Illinois EPA is proposing to grant
17 these permits. We welcome any comments or questions from the
18 public on our proposed actions. Thank you.

19 HEARING OFFICER MATOESIAN: Thank you, Mr. Patel. We
20 will now open up the comments from the public. Due to time
21 constraints, Ms. Rose TerHark would like to go first. If you
22 could, please approach the podium. Again, state and spell
23 your name for the record, give your address and state whether
24 you're for issuance of the permits or against issuance.

1 MS. TERHARK: My name is Rose TerHark, T-e-r-H-a-r-k. I
2 live at 105 Roland Drive in Lena. I am speaking as a private
3 citizen, and I'm also chairman of the Zoning and Planning
4 Board on the Village Council.

5 As a resident of the Village of Lena, I too became
6 concerned about the odor and the other emissions emitted at
7 first from the ethanol plant. This was a concern to all of
8 us, I'm sure. Now since the dryer has been shut down in
9 March, I have not noticed any smell at all where I live. I
10 do live upwind from the plant. I spoke with Adkins'
11 officials, had quite a lengthy conversation, and feel
12 confident that plans for getting its dryer up and running
13 again will include installing the best emissions control
14 technology available to the industry today. Now, that's what
15 they told me, and I trust them. I believe them.

16 Now, the same technology is being used in Monroe
17 and also in a plant in Minnesota they're putting these in.
18 So this is the good news that we have been hoping for and
19 waiting to hear. I'm very excited about that. Adkins
20 officials told me that they have worked long and hard and
21 spent many dollars to make this happen and are confident that
22 the permits being presented tonight represent the best
23 efforts of the EPA and Adkins, and, therefore, I am for the
24 permits. Thank you.

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1 HEARING OFFICER MATOESIAN: Thank you, Ma'am. Next, Mr.
2 Duane Lobdell speaking for Adkins.

3 MR. LOBDELL: Good evening. I'm Duane Lobdell,
4 L-o-b-d-e-l-l, and I'm speaking as a private citizen. I live
5 at 9746 West Range Road, which is approximately one mile
6 directly north of the plant. I'm also a member elect to the
7 Adkins, LLC, Board of Directors, and I'm speaking with this
8 on behalf of them.

9 Adkins Energy and its individual owners and
10 employees all have a deep commitment to this community to
11 operate our business within the guidelines of all
12 governmental rules and regulations. Unfortunately,
13 throughout the past year, we've gone through lengthy
14 struggles with contractors, engineers and local citizens that
15 have changed our initial plan for compliance. These
16 difficulties center on our current drying system and its
17 permitting.

18 In March of this year, Adkins decided to turn off
19 our dryer, and since then we have experienced large operating
20 losses and incurred additional costs related to the shutdown,
21 considerable amounts of expense in terms of lawsuits,
22 contractual negotiations and permitting requirements.
23 Adkins, with the aid of our contractor and partners, will
24 spend in excess of \$3 million to totally redesign and rebuild

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1 our dryer and add the regenerative thermal oxidizer. In
2 order to initiate and complete the enhancements to the plant,
3 we have spent months with our consultants, experts, and the

4 Illinois EPA. The involvement credentials of the individuals
5 and groups involved in this permitting process should help
6 give assurance to the public that this permit is correct and
7 just in its issuance.

8 The anticipated dryer and RTO construction period
9 will be overseen by multiple governmental authorities,
10 including the Illinois EPA and the Illinois Attorney
11 General. We are expected to comply with the interim agreed
12 order that was issued by the Illinois Attorney General on
13 behalf of the Illinois EPA earlier this year. The order
14 issued includes language that was issued to several other
15 ethanol plants in the industry by the Illinois EPA, most of
16 which requires the installation of additional equipment such
17 as the RTO or RTR. We would like to emphasize in closing
18 that we have not strayed from our responsibilities under
19 these agreements, and we plan to meet our commitment to the
20 community and to the citizen shareholders and all governing
21 authority. Thank you.

22 HEARING OFFICER MATOESIAN: Thank you, Mr. Lobdell.
23 Next I have Mr. Ed Cooney, Dr. Cooney, please.

24 DR. COONEY: Good evening. My name is Edward Cooney,

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1 C-o-o-n-e-y, and I'm an environmental consultant working on
2 behalf of the Neighbors for Good Neighbors Group (abbreviated
3 NFGN) to help them evaluate emissions from the Adkins
4 Energy's ethanol plant operated in Lena, Illinois. I'm
5 going to read a statement on the proposed permits on behalf
6 of NFGN, and I understand that several residents are going to

7 speak as well. I have a Ph.D. in environmental engineering
8 and am a professional engineer and have worked in the
9 environmental field for over 18 years. This project is
10 somewhat unique for me given I normally represent industry,
11 and my job is to help industry avoid environmental problems.
12 Many of my clients are manufacturing companies that need my
13 assistance to obtain air pollution control permits or help in
14 decreasing emissions from their operations. Like everyone, I
15 want businesses to succeed, and I decided to work with the
16 citizens, because I think that Adkins can be an asset to the
17 community; however, it must adequately monitor its emissions
18 and install the right technology to reduce those emissions to
19 the appropriate levels.

20 Air pollution control is important to everyone,
21 because air pollution can make you sick. It can cause
22 burning eyes and nose and an itchy, irritated throat as well
23 as trouble breathing. Some chemicals found in polluted air
24 cause cancer, birth defects, brain and nerve damage and

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1 long-term injury to lungs and breathing passages. Air
2 pollution can damage the environment too. Trees, lakes and
3 animals have been harmed by air pollution. Certain types of
4 air pollutants have thinned the protective ozone layer above
5 the earth, a process that could result in changes to the
6 environment and cause additional health effects. Air
7 pollution can also damage property. It can dirty buildings
8 and other structures.

9 When I was brought on board last June, I did a

10 brief evaluation of Adkins' operations from the time that the
11 plant began producing ethanol. It was readily apparent that
12 Adkins had not been operating the facility in accordance with
13 the requirements of the Clean Air Act -- regulations designed
14 to protect air quality and minimize the amount of pollution
15 that can be released. The United States EPA has established
16 a set of rules for administering the Clean Air Act. In
17 short, EPA requires each state's Environmental Protection
18 Agency, such as the Illinois EPA, to apply the regulations
19 provided that the states adhere to the rules, i.e., they must
20 incorporate these regulations into their state laws, or they
21 may choose to adopt more stringent requirements.

22 Last summer after NFGN filed its federal lawsuit
23 against Adkins, the EPA also recognized that Adkins was not
24 meeting their obligations required by the Clean Air Act and

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1 filed their own lawsuit and then entered into a Consent Order
2 which required certain compliance measures be implemented at
3 the plant. These included taking the dryer out of service
4 until modifications are made and suitable air pollution
5 control equipment is added to the drying operations. Other
6 requirements included imposing more stringent emission limits
7 on the facility and making Adkins obtain the proper
8 construction and operating permits, permits required by the
9 Clean Air Act.

10 Under the Clean Air Act, citizens have the right to
11 know and be included in the decision process. The Neighbors
12 For Good Neighbors Group sued against Adkins to preserve the

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13 right to residents that were living in the midst of
14 significant air pollution and reporting adverse health
15 effects caused by Adkins' emissions. The Illinois EPA is
16 trying to implement the public participation requirements by
17 having this informal hearing tonight and accepting comments
18 in writing until January 18. I would ask audience members to
19 inform themselves about the amount and types of air pollution
20 emitted from the plant, and share your concerns or questions
21 about the plant with the Illinois EPA during the 30-day
22 comment period which follows tonight's hearing.

23 what have we been doing so far? we've allowed
24 Adkins to continue to operate as long as it involves the

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1 residents in its strategy to reduce emissions from the plant
2 and obtain the necessary permits from the Illinois EPA. We
3 have been working closely with the Agency to make sure Adkins
4 is complying with the terms of the State's order and with the
5 federal court's Stay Order signed by Adkins and
6 representatives of the Neighbors For Good Neighbors Group.
7 One of the terms of the Stay Order is that by September 15th,
8 2004, Adkins must demonstrate to everyone that it is not a
9 major source of air pollution as defined in the Clean Air
10 Act. In Adkins' case, a major source permit would be
11 required if Adkins' operation had the potential to emit more
12 than 100 tons per year of a criteria pollutant, 10 tons per
13 year of a single listed hazardous air pollutant or 25 tons
14 per year of two or more listed hazardous air pollutants. The
15 potential to emit criteria is important. It's the amount of

16 pollution that a plant could emit if it were operating at its
17 design capacity 24 hours per day.

18 It is our opinion that until the State issued its
19 Consent Order, Adkins was operating as a major source. Now
20 that Adkins has agreed to reduce its emissions, our goal is
21 to make sure that, number one, Adkins' operations will not
22 emit pollutants at rates that will exceed the major source
23 threshold; two, the permits that Adkins receives from IEPA
24 contain provisions necessary to control emissions to less

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1 than major source thresholds; three, Adkins is required to
2 maintain its equipment in accordance with good engineering
3 practices and timely reports to IEPA if deviations from
4 permitted conditions occur; and four, the permits provide
5 recordkeeping requirements that can be reviewed to verify
6 that Adkins is complying with the terms of its permits.

7 If it is determined that Adkins cannot operate its
8 facility and remain below major source thresholds, we
9 recommend that Adkins be required to install the best
10 available emission control technology, reduce emissions from
11 leaking equipment, perform additional air quality analyses to
12 demonstrate that the national ambient air quality standards
13 are protected. In addition, increased emissions from the
14 project cannot have a ground level impact greater than levels
15 listed in the Clean Air Act regulations.

16 We also want them to perform an additional impact
17 analysis, including commercial, industrial and residential
18 growth analysis and visibility impairment analysis if they're

19 determined to be a major source.

20 The proposed permits contain limits that are only
21 slightly below the threshold for a major source. For
22 example, the proposed FESOP permit allows Adkins to emit over
23 88 tons per year of volatile organic compounds, nitrogen
24 oxides and carbon monoxide pollutants versus an allowable

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1 threshold of less than a hundred tons per year for each.
2 Although our analysis is not yet complete, it appears that
3 the facility again might be considered a major source given
4 the proximity of the proposed limits to the threshold and
5 that the information regarding the dryer and proposed control
6 device will not fully be known until after they are installed
7 and tested next year.

8 Additionally, the proposed permits require Adkins
9 to control certain emissions to a very high level, in excess
10 of 95 percent. Historically, the plant has had difficulty
11 meeting this level of control. We will be submitting written
12 comments to the Agency that identify technical areas of
13 concern with the proposed permits and our proposed solutions
14 to these concerns.

15 I'd like to say a few things about odor. For the
16 most part, the only emissions testing completed to date by
17 Adkins has consisted of exhaust measurements to locate the
18 existence and amount of chemicals being emitted by certain
19 unit operations within the facility such as the fermentation
20 and distillation scrubbers. Emissions from other units, such
21 as those associated with grain handling, are estimated using

22 generic formulas containing emissions factors. Although
23 helpful, the weakness of estimating emissions or of a gas
24 measurement is that odor of such is not based purely upon

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1 individual gas composition. Odor results from the
2 interaction of gases with each other and their further
3 interaction with particles, moisture content and atmospheric
4 conditions. Another weakness of the gas measurement approach
5 is that it cannot detect all gas concentrations detectable by
6 the human nose. Since a combination of these undetectable
7 gaseous chemicals may be causing the foul and offensive odors
8 emitted from the ethanol facility, measurement of individual
9 gas concentrations does not necessarily help define the odor
10 problem.

11 For this reason, amongst others, compliance with
12 the proposed IEPA permit standards may have little or no
13 correlation to odor. In fact, even without the dryer
14 operating and with significant improvements in the
15 performance of the fermentation and distillation scrubbers at
16 Adkins, odor events still have occurred. The odor is not a
17 new concern for ethanol producing companies. Residents
18 located near ethanol plants in St. Paul, Minnesota, South
19 Bend, Indiana, and Monroe, Wisconsin, have experienced
20 similar alleged health problems and raised concerns similar
21 to the residents living in Lena. Since there are most likely
22 many compounds emitted by Adkins' operation currently
23 unidentified or that cannot be detected with emission
24 monitoring equipment, compliance with the proposed permit

1 standards likely will not resolve the odor situation. The
2 proposed permit only states that Adkins is not excused from
3 the obligation to undertake further actions at the source as
4 may be needed to eliminate air pollution, including nuisance
5 due to odors, such as raising the height of stacks, using
6 alternative scrubbant materials, installing back-up control
7 systems or altering process conditions in emission units.
8 That is not enough. For example, the permit needs to
9 explicitly state that Adkins is required to comply with the
10 laws that prohibit them from causing a nuisance. This would
11 also be consistent with the State's lawsuit against Adkins
12 which alleges that Adkins' odors and emissions create a
13 nuisance.

14 Lastly, other communities have adopted or proposed
15 specific air quality monitoring provisions to minimize odor
16 from ethanol plants. For example, one community has proposed
17 limiting the amount of volatile organic compounds detected
18 above background levels on any property beyond the boundaries
19 of the ethanol production facility. Similarly, if odor
20 levels upwind and downwind of the plant showed a significant
21 difference, then the plant would be required to take
22 immediate steps to eliminate the odor. Some states, such as
23 Nebraska, have made determining compliance with air quality
24 standards outside of the ethanol plant fence line a

1 requirement of its ethanol plant permitting process. For its
2 part, the Illinois EPA has required other projects to
3 maintain ambient air quality levels on residential property
4 below certain thresholds. Our group is evaluating this
5 requirement to determine if similar conditions should be made
6 a part of the permits given to Adkins. Thank you.

7 HEARING OFFICER MATOESIAN: Thank you, Dr. Cooney. The
8 next speaker I have listed is Mr. Dennis Drake.

9 MR. DRAKE: My name is Denny Drake. I live at 10982 US
10 Highway 20 in Lena, and I am speaking in favor of the
11 issuance of the permits as long as our experts, including
12 Dr. Cooney, recommendations are implemented.

13 My wife Bonnie and I, have operated the Lena KOA
14 Kampground for nearly ten years. I am here tonight to make a
15 brief presentation on behalf of the NFGN, Neighbors For Good
16 Neighbors. As a local business person, I want all businesses
17 in Lena to succeed and for our community to prosper. Adkins
18 did not start out like other businesses though. It built its
19 plant emphasizing the benefits without providing the
20 community an accurate picture of the amount of pollution and
21 odor the plant would inflict upon us. By the time we
22 understood, the plant was open, and it was too late for Lena
23 citizens to speak out against the pollution and odor. So
24 many people had already invested significant amounts of their

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1 hard-earned money in the plant that they dared not speak out

2 for fear of financially ruining themselves, members of their
3 families or their friends. Those of us who did speak out
4 were viewed by some who invested in the plant as people who
5 did not care about the potential ruin of their neighbors.

6 Adkins has not used their spent grain dryer since
7 March, and now they are saying there are no problems. The
8 reality is much different. Within months they are going to
9 start using a dryer again. We need to be sure that the
10 permit requires Adkins to document the pollution and odor
11 from all sources, especially the dryer and the new oxidizer
12 that they are telling us will prevent any future problems.

13 Let's face it, Adkins has a huge advantage going
14 into this hearing, because they have so much of Lena's
15 families' savings. There is an implication that it is going
16 to cost Adkins too much to stop their plant polluting and
17 comply with the law. Further, they imply that the
18 hard-working Lena farmers and others who profit from
19 plant-related business will face financial ruin if Adkins is
20 made to follow the Clean Air Act. Many of the voices we hear
21 tonight will be against holding Adkins accountable for fully
22 measuring and adequately controlling its pollution. These
23 will be the voices of fear, fear that Adkins' wealthy
24 out-of-state CEO, his board of directors and the expensive

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1 law firm they have hired to defend them will just shutdown
2 the plant, and let the farmers lose their investment.

3 Fortunately, the Illinois EPA has the
4 responsibility to protect the citizens from this kind of fear

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5 and enforce the anti-pollution laws that protect all of us,
6 even when we are too conflicted or afraid to raise our
7 voices. We want Adkins to succeed, and the NFGN knows that
8 the Illinois EPA will issue a permit that protects the safety
9 and purity of the air we breathe, otherwise everyone, Adkins,
10 the community and the Agency fails.

11 Adkins' discharge of air pollution in our air is a
12 privilege, not a right. As our environmental consultant,
13 Dr. Cooney, explained in some detail, he has some concerns
14 about the permit as it is currently drafted, and we would
15 like to see those concerns implemented. The best and most
16 definitive way to -- there are two lawsuits -- sorry -- one
17 by the Illinois Attorney General and the other by the
18 citizens. The best and most definitive way to end these
19 lawsuits is for Adkins to monitor its emissions and odors so
20 we will have proof in black and white that they are no longer
21 violating the Clean Air Act or causing odor nuisance as
22 alleged in both lawsuits. The Illinois EPA is very aware of
23 the ongoing odor problems at the Gopher State ethanol plant
24 in Minnesota. We are asking them to apply the lessons

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1 learned there, including the most recent odor monitoring
2 agreement reached in September between the citizens of
3 Minnesota and Gopher State.

4 We wish to thank the Illinois EPA for holding this
5 hearing, for listening to our views and understanding the
6 difficult, conflicting economic pressures faced by the
7 residents of Lena in speaking out to protect our community's

8 air. Thank you.

9 HEARING OFFICER MATOESIAN: Thank you, Mr. Drake. Now
10 is there a restaurant manager here who wishes to speak? Did
11 you wish to speak, sir? You came in late. I believe you
12 have a time constraint. I don't have your name.

13 MR. HANDSAKER: Paul Handsaker.

14 HEARING OFFICER MATOESIAN: Please state and spell it
15 for the record. Give your address and say whether you are
16 for or against.

17 MR. HANDSAKER: Paul Handsaker, Beaches Supper Club here
18 in Lena. I do live in Pearl City. H-a-n-d-s-a-k-e-r.
19 That's how you spell my last name.

20 My business is only approximately two miles from
21 the ethanol plant. I am for the ethanol plant. It has not
22 affected my business at all. If anything, it has helped my
23 business from the standpoint of bringing more money into the
24 community, and it's a trickle down theory. Farmers make more

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1 money, it comes in my door. Plain and simple. And I am
2 definitely for it. I don't see how it has affected this
3 community in any bad ways except for the bad publicity it
4 gets on the other side.

5 HEARING OFFICER MATOESIAN: Thank you. The next speaker
6 in order is a Mark Randecker.

7 MR. RANDECKER: My name is Mark Randecker,
8 R-a-n-d-e-c-k-e-r. I live approximately about a mile west of
9 the plant, northwest of the plant, half mile maybe. We're
10 very, very close.

11 HEARING OFFICER MATOESIAN: Your address, please?
12 MR. RANDECKER: 9671 West Cedarville Road. We're a
13 little bit hesitant about the permit process. Obviously we
14 were all promised a state of the art facility when this first
15 started out, and what we seem to have gotten was not the
16 case, and I do live downwind. I had to scrub my house. I
17 left a corner of my house that had black soot all over my
18 house several times. You couldn't go outside. Several times
19 my family had to hold their breath in order to get out of the
20 car to run in the house. I understand that a lot of
21 residents in Lena, which are on the opposite side of the wind
22 side of the plant, don't seem to be affected near as much as
23 what I do, near as much as my neighbors are down the road.
24 And we still have significant odor events even now, and I

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27

1 just feel that -- I'm all for these people here. I have
2 family, I have friends that have money invested in this
3 plant, and I think that they have to consider what was
4 offered and what was planned and what was promised was not
5 what we seemed to have gotten. And I understand that. I
6 wish that -- we want some type of guarantee that the EPA can
7 give us that they would stay within the guidelines, that they
8 would monitor and control the testings that they're being
9 received and oversee these testings under Dr. Cooney's advice
10 and that type of thing. I wish these permits would be
11 submitted if they're going by his approval. That's why we
12 have him as an expert. And I just want to have my air the
13 same way as what it was before the plant was started. We

14 were all for the plant when it was first started up, but it
15 doesn't seem that what we were promised is what we got. So
16 that's my comment. Thank you very much.

17 HEARING OFFICER MATOESIAN: Thank you, sir. Next, Ms.
18 Phillips, Bonnie Phillips.

19 MS. PHILLIPS: Bonnie Phillips, 10982 West Highway 20.
20 I am co-owner of Lena KOA with my husband. We stand to lose
21 our entire life's investment if this situation is not
22 straightened out. And the credibility of Adkins is at a very
23 low level. Why have they operated for an entire year without
24 any permit?

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28

1 MR. ROMAIN: We aren't able to issue a permit until
2 compliance issues are resolved, including issuance of this
3 FESOP. That's part of the reason that we entered into a
4 consent decree with the assistance of the Attorney General's
5 Office to address their operation before this permit could be
6 resolved.

7 MS. PHILLIPS: What's going to happen if they don't meet
8 the requirements on the new permits?

9 MR. ROMAIN: They'll have to be further enforced in
10 action to take appropriate steps. Conceivably they would
11 have to cease operation of the dryer if the new dryer doesn't
12 work.

13 MS. PHILLIPS: Thank you. That's all I ask.

14 HEARING OFFICER MATOESIAN: Thank you, Ms. Phillips.
15 The next speaker is -- is it Quincy Randecker?

16 MR. RANDECKER: My name is Quincy Randecker. My boy

17 just spoke. I live a half a mile up the road from him, and I
18 do get odor often, and before this dryer was put down, I
19 even -- even when I went to the barn, I come out of the barn
20 feeling sick from that stuff hanging into my barn. And a lot
21 of times at night it would fill my house, and I'd have to
22 leave and go someplace else. But since the dryer is down, it
23 has not affected me that way now, but I'd like to let the
24 people here know in Lena, and its shareholders, which I have

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29

1 a lot of relations in shareholders, that we're not here as --
2 the Neighbors For Good Neighbors -- to shut these people
3 down. We're here to -- want them to make it right, that we
4 can live under. My property has devalued at least 50 percent
5 because of the ethanol plant, and I was going to read the
6 Clean Air Act, I've got the Clean Air Act if you want to hear
7 it, but Dr. Cooney really explained most of it. But the
8 standards are to give us clean air, the main standards, air
9 that we can breathe, clean air. I have asthma, and asthma
10 really affects me when I get in the pollutants, and I've
11 never smelled clean air yet. Any air that smells is dirty,
12 and we know that. So I won't read all of this. I have two
13 pages, and I don't want to read it all, but there will be a
14 lot more said, and I thank you.

15 HEARING OFFICER MATOESIAN: Thank you, Mr. Randecker.
16 The next speaker I have listed is Mr. Charles Thorp.

17 MR. THORP: Yes, my name is Charles Thorp, T-h-o-r-p. I
18 live at 2273 North Schlager, S-c-h-l-a-g-e-r, Road. It's
19 about two-and-a-half miles north -- or south, southeast of

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20 the plant. We moved out here a number -- about three years
21 ago, built a house. We built it in the wrong place. We had
22 no idea that we were going to be downwind from an ethanol
23 plant. I have experienced some difficulty when I go
24 outside. I'm a retired educator, and I have the luxury, I

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30

1 guess, of being home during the day and being able to spend
2 my time outside. And my dog and I spend about from six to
3 eight hours outside most of the year. Today we were only out
4 about two or three. I cut wood, I work in my barns, and I
5 have big gardens and trees and shrubs and so forth that I
6 attend, and when the wind is in the wrong direction, and I
7 would say the wrong direction, because any direction that it
8 goes away from my house is the right direction for me.
9 Unfortunately, it's probably the wrong direction for someone
10 else. But I have -- and thought I was in pretty good
11 health. I'm under the delusion that I'm a healthy
12 individual, but when I go outside and the wind is blowing
13 from the ethanol plant, even today -- not today but yesterday
14 we were outside, and when the wind blows from the plant,
15 there are -- my head stuffs up. It's as though it's going to
16 explode. My nose gets stuffy, and my throat gets sore, and I
17 can take that for about 35 to 40 minutes. I'm not sure
18 exactly what would happen if I stayed out there much longer,
19 how sick I would get. And I hope that no one would ask me,
20 you know, to find out how badly it really is if I subject
21 myself to that. I'm not about to sacrifice myself to find
22 out how bad it can be. I have been told that it's not a

23 problem, just live with it. And I'm afraid that my option to
24 live with it is that I have to go into my house and come out

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31

1 when the wind changes direction, and I'm hoping that the IEPA
2 and Adkins can work out a plan.

3 I have -- the gentleman that farms my property, I
4 have -- we have 70 acres of cropland, and the gentleman that
5 farms it brought the paperwork by today for the Farm Service
6 Agency for me and my wife to sign so they can get their
7 subsidies and agreements and so forth. I rent the land. I
8 need the rent. I have no problem with corn or beans, but I
9 do have a problem with the air that comes my way and causes
10 me to be ill and go in the house. And for those people who
11 say, well, it doesn't bother me, I say, hooray for you. You
12 are lucky. You have got the ideal situation. You don't have
13 to deal with this. So if you're one of those lucky people,
14 you should thank your lucky stars. And if you want to
15 experience this, I know a farm for sale if the price is
16 right. I'll be glad to sell and find another place. I don't
17 think anyone is going to want to buy my place at the -- a
18 three-year-old place we built from scratch. I don't believe
19 that I'm going to be able to get my money back on that until
20 the ethanol problem is totally resolved. Why would anyone
21 want to spend a half million dollars on a place that you
22 can't go out in your yard? Thank you.

23 HEARING OFFICER MATOESIAN: Thank you, Mr. Thorp. Next,
24 Gary Vehmeier. State and spell your name for the record.

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1 Give your address and whether you're for or against the
2 permit.

3 MR. VEHMEIER: Spelling first?

4 HEARING OFFICER MATOESIAN: Yes.

5 MR. VEHMEIER: V-e-h-m-e-i-e-r. Address 8481 North Lake
6 Road, Lena, Illinois, and I am for it. I own the businesses
7 that are probably closest to the plant. They're
8 approximately a third of a mile away from the property. We
9 probably serve about a hundred thousand people a year. I
10 have to state that I have never had anybody enter my
11 restaurant that has ever had a problem with the odor. I've
12 been asked a number of times. I also have asthma. I've
13 never had a problem with it. I intend to further develop the
14 land. I own 20 acres there. There will be other businesses
15 that will follow as the economy picks up and as I have more
16 time. And I believe that Adkins Energy will at some point in
17 time meet a happy resolve with the Illinois and Federal EPA.

18 HEARING OFFICER MATOESIAN: Thank you, sir. The next
19 speaker is -- I believe it's JoAnne Czajka.

20 MS. CZAJKA: Hi. My name is JoAnne Czajka,
21 C-z-a-j-k-a. I live at 560 West 21st Street, Monroe,
22 Wisconsin. I'm kind of here tonight to express my opinion
23 about dryers. I live downwind of the Badger State ethanol
24 plant, the state of the art plant. When I hear that

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1 statement, the state of the art, it makes me choke. The
2 smell is horrendous. I've been past the Lena plant when the
3 dryers were running. That was ten times worse than Monroe.
4 Now, it's not as bad, but I have to say, when those dryers
5 are running, I don't care what you do, the state of the art
6 equipment, you will always have an odor. Do I deserve to
7 change my lifestyle and live with that odor? Absolutely
8 not. But that odor determines whether or not I hold my
9 breath from my front door to my car in the morning. I get up
10 at 4:15, 4:30 a.m. I look outside my kitchen window, and I
11 praise the lord when that plume is going the other way,
12 because then I know I can get to my car. Should we live like
13 this? No, we shouldn't have to. We should be able to enjoy
14 our yards and enjoy our deck. I can't say I live like that
15 any more. Now, I have my sister and brother-in-law with me
16 tonight. They live at 1550 J Street, Freeport. That's
17 Willow Lake. They're approximately five miles downwind of
18 the Lena plant. Can they enjoy their deck five miles away
19 when that dryer is up and running? Absolutely not. There's
20 been times I've been to their house, you can't be out on that
21 deck. Do I want that dryer up and running? No, I don't. I
22 don't know if you guys can control when that dryer is up and
23 running, will it be better? Do you have that authority to
24 say you've got to shut it down, you have to do something

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34

1 different?

2 MR. ROMAINE: The dryer has to be appropriately
3 controlled. If it isn't appropriately controlled, then

4 through legal action we can take steps necessary including,
5 if that's the only solution, shutting down the dryer. We're
6 hopeful from experience at other plants that a properly run
7 degenerative thermal oxidizer will be able to control the
8 organic fuel emission. We also believe that the changes that
9 are made to this dryer should reduce the loading of emissions
10 that the control device has to handle.

11 MS. CZAJKA: So how long does it take to like get the
12 dryers up and running and if the odor is horrendous, how long
13 is that process to shut that down? Is it going to be a day,
14 a month, a year? Does it take a while?

15 MR. ROMAINE: It can take a while, yes.

16 MS. CZAJKA: Okay. I just wanted to ask that question.
17 I've just got to review my notes again. I guess my last
18 statement is just think long and hard and listen to everybody
19 here tonight, because you guys make that decision, because
20 this decision affects Lena residents, Freeport residents,
21 downwind. Thank you for your time.

22 HEARING OFFICER MATOESIAN: Thank you Ms. Czajka. The
23 next speaker then is -- I believe it's Vickie Randecker?

24 MS. RANDECKER: My name is Vickie Randecker. I live at

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35

1 9671 West Cedarville Road. I wanted to say that I live
2 approximately a half a mile northeast of the plant. The
3 dryer is not up and running now. We still do experience some
4 problems from the distillery from the mash that's out in the
5 open. We do experience some odors from that. I wanted to
6 say about when the dryer was up and running, we had

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7 considerable amounts of pollution, smoke, haze, whatever you
8 want to call it, at our place. It's a bad thing when you
9 can't go outside to mow your yard or to come in from your
10 garage, and your child can't go outside, and he looks outside
11 to see whether he can go outside to play. My concern is as
12 everyone's here, that the dryer that is going to be used here
13 would be operated correctly, that it would be able to meet
14 the controls for the emissions, that we wouldn't have this
15 problem. I do want to say that I work 12 miles east of here
16 in Freeport on the west end. When the dryer was up and
17 running, there were days when the wind was in the right
18 direction that 12 miles from here there was considerable
19 odor. In fact, people came into my building and said, Oh, we
20 have the essence of Lena today. Twelve miles is a long way,
21 and to smell it that much, you can imagine what it is like on
22 a day when it's right in my backyard. These are my concerns
23 for my family as well as my neighbors, that we would have to
24 live under these conditions and to set precedence for other

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36

1 ethanol plants that are seeking permits also in other parts
2 of the state. We obviously know that this is a political
3 issue and that ethanol, so to speak, is a product that is
4 maybe here to stay. I don't have anything against that. I
5 don't have anything against furthering agriculture. I do
6 have concerns, and I hope that they can all coincide that we
7 can profit from ethanol as well as keeping our environment a
8 safe and healthy place to live. That's my concern. And this
9 project needs to be completed correctly so that other

10 projects that are in the making can, you know, do the right
11 thing too so that we don't have the same issue over and over
12 and over again. And obviously there's a problem when we keep
13 running into this issue that communities are having problems
14 with ethanol plants, and I hope that the organizations that
15 are permitting and are helping to establish these places can
16 find the answers to those. Thank you.

17 HEARING OFFICER MATOESIAN: Thank you, Ma'am. The next
18 speaker then is Daniel Bonnet.

19 MR. BONNET: My name is Daniel Bonnet, B-o-n-n-e-t.
20 Address is 14760 East Howardsville Road, Lena. I am here as
21 an individual and not representing any particular
22 organization. I am here in support of the issuance of the
23 permits. I am here as a member of the community and as an
24 equity shareholder with the mandatory corn delivery

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37

1 commitment and especially as an area farmer who has seen the
2 benefit of an increase in our local corn basis prices and the
3 jobs this facility has brought to our area. There are a lot
4 of numbers and accusations that have been thrown about by the
5 Neighbors Group. Keep in mind that you can attempt to prove
6 anything you want if you look long enough. As the old saying
7 goes, paper will hold still for anything whether the truth or
8 fabrication.

9 while the dryers did not perform at the emission
10 levels that were represented by the manufacturer and
11 guaranteed in the original construction contract -- well,
12 that is the dryer did not perform -- but to hear the

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13 Neighbor's Group complaints, you would swear they were all
14 downwind from the plant every day of the year. We all know
15 that this is impossible. I have never seen such a small
16 group of people get the attention they have managed to get
17 and run a smear campaign in the media as they have done. I
18 personally have asked many people in the area if they have a
19 problem with the odor of the facility. Very few have
20 expressed that they do. I am not privy to all the dollar
21 amounts and information that would show the exact amount of
22 money that has been lost selling the distillery's grain as a
23 high moisture feed these last nine months, but I do know that
24 there has been millions of dollars in lost revenue since

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38

1 March of 2003. This plant cannot operate profitably long
2 term without a means to dry the distillery's grain. If
3 Adkins Energy, LLC is not issued the proper permits, this
4 plant will continue to lose money. It can only continue to
5 operate as is by either fresh corn dropping drastically or by
6 the LLC engaging in forms of pricing again which deducts the
7 amount shareholder members receive for their corn. Neither
8 is an alternative area either farmers or investors can
9 tolerate. This is over a \$6 million facility. This plant
10 will continue to operate into the future but not in a money
11 losing position. It is a matter of the farmer members and
12 investors or worst case scenario become a conglomerate like
13 ADM or Cargill which would buy the facility at a discounted
14 price and do any expansion they desire and just pay the labor
15 into their fee and follow the operative period of the plan

16 with little regard to the community. This ethanol plant is
17 not asking for anything special that any other facility of
18 its kind in this state or any other state has, operating
19 permits so that the plant can meet with EPA standards. Thank
20 you.

21 HEARING OFFICER MATOESIAN: Thank you, Mr. Bonnet. The
22 next speaker is Mr. Dave Grinler.

23 MR. GRINLER: Grinler, G-r-i-n-l-e-r. My wife and I
24 live at 301 East Town Line Road here in Lena. We live at

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39

1 the south edge of town near the cemetery. We can look across
2 the fields and see the ethanol plant, and I just wanted to
3 say that I am in favor of this permit being issued, and I
4 think that you should consider it favorably. We have had no
5 troubles as close as we are to the plant. We're one of the
6 fortunate ones that -- we're not upwind, downwind too often
7 anyway. Our health is good, and we don't suffer the problems
8 that some folks, as you've heard here tonight. And so I
9 would just say again that you should look favorably on this.
10 Some of the members of the plant that I know of who are
11 investors are all men of goodwill and do want to do the right
12 thing. And I know that they will do the right thing. So I
13 would urge you to consider granting that permit. And I thank
14 you for your time.

15 HEARING OFFICER MATOESIAN: Thank you, Mr. Grinler. The
16 next speaker I have is Mr. Mike Koppean. I'm not sure if I'm
17 pronouncing that right.

18 MR. KOPPEAN: Hi. I'm Mike Koppean. K-o-p-p-e-a-n. I

19 live about a mile from the ethanol plant. Most issues have
20 all been covered so far, but the major one is the flare
21 they're talking about. How big is this? Does anybody know?

22 MR. ROMAIN: In what sense do you mean?

23 MR. KOPPEAN: Well, you've got a pile of corn out
24 there. You've got a bomb. You've got corn right up to this

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1 bomb. You've got a real issue here.

2 MR. ROMAIN: In terms of the thermal size, the amount
3 of heat that's generated, it's the same size of the flare
4 that's currently operating there.

5 MR. KOPPEAN: Is that considered safe?

6 MR. ROMAIN: Yes, it is.

7 MR. KOPPEAN: We've got terrorists in the country now.
8 we've got all kinds of variables. We need to think about our
9 groundwater. We've got a lot of issues here.

10 MR. ROMAIN: Flares are commonly used as control
11 devices, or flares or other types of combustion devices are
12 commonly used for gasoline loading operations, and the load
13 of the ethanol is similar to that, to a gasoline loading
14 operation.

15 MR. KOPPEAN: Okay. I'm against the permits too as far
16 as that goes.

17 HEARING OFFICER MATOESIAN: Thank you, Mr. Koppean.
18 The next speaker I have is Mr. Willie Kayser.

19 MR. KAYSER: That's Willie Kayser, K-a-y-s-e-r, 205
20 Walnut Street, Lena, Illinois. Up until now the majority of
21 people have been silent. Those people that are for the plant

22 have not been saying much, but the minority has been very,
23 very vocal. Some of the statements that have been made I
24 question to be the whole truth, especially the campground

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41

1 being west of the plant and that they're under such duress
2 and then so much fumes that they can hardly stand it and
3 would lose their business. The prevailing winds in this area
4 are from the west, and very seldom do they turn from the
5 northeast that would affect them at all, and if anybody would
6 be bothered, that would be the restaurant right across the
7 street. The vocal minority in this community really gets
8 the attention because they get in the media, and the other
9 people sit back and don't say anything because of their own
10 personal reasons. And I just want to say this one thing that
11 may not be related to this ethanol business, but something
12 that I was involved in, I was an investor in wanting to build
13 a nice hotel here in Lena, and some of the vocal people that
14 are against the ethanol plant were also against the hotel.
15 We had an option to build also in Freeport, so we decided if
16 Lena didn't want a nice hotel, we'd build it in Freeport.
17 Freeport has a nice hotel. The other side of Stockton has a
18 nice hotel, and Lena has nothing.

19 HEARING OFFICER MATOESIAN: Thank you, Mr. Kayser. The
20 next speaker I have is Mr. Darwin Morhardt.

21 MR. MORHARDT: I'm Benjamin Morhardt. I'm Darwin's
22 son. My name is Benjamin Morhardt, M-o-r-h-a-r-d-t. I live
23 about a mile and a half east of the plant. For a long, long
24 time of my childhood I suffered from asthma. And about four

1 years ago it started to go away, and I could play a whole
2 football game without having to take a puff of my inhaler.
3 But recently when they started up the dryer, I couldn't play
4 basketball in my backyard without having to take a puff of my
5 inhaler due to the fumes of that plant. Now, I don't think
6 that it is just that I should have to base my schedule upon
7 the direction of the winds. And frequently the wind is out
8 of the west, and I suffer from asthma attacks when it is out
9 of the west. I would just ask that you take some caution in
10 giving this permit, and that you follow through with the
11 guidelines and monitoring of the pollutants. Thank you.

12 HEARING OFFICER MATOESIAN: Thank you, Mr. Morhardt.
13 The next speaker I have is a Leland Wenzel. Excuse me if I'm
14 not pronouncing these right. I can't read all the writing.

15 MR. WENZEL: Leland Wenzel, w-e-n-z-e-l. I live at 649
16 North Star Drive. I am 80 years old, and I have lived here
17 my entire life, the last 20 living within the city limits of
18 Lena. I am speaking for my neighbors in the northwest corner
19 of Lena, and we have never smelled any emissions from the
20 Adkins Energy plant in our area. Yes, we smell it when we
21 drive by the plant, but to us it's a rather pleasant smell, a
22 good deal like the yeast that our mother's used when they
23 were baking bread. I am sure that I speak for the sentiments
24 of most of the community; frankly, we're getting fed up with

1 a few people, most of who have moved here in recent years,
2 who come here and try to makeover this rural area to their
3 own satisfaction. We who have lived here all of our lives
4 and made Lena and this community a good place to live and
5 work and play, feel that given the chance, Adkins will
6 install the proper equipment to meet the needs and
7 requirements of the IEPA. Thank you.

8 HEARING OFFICER MATOESIAN: Thank you, Mr. Wenzel. The
9 next speaker I have is -- I believe it's Dean Holmes?

10 MR. HOLMES: My name is Dean Holmes. I live at 7771
11 West Cedarville Road. Last name is spelled H-o-l-m-e-s.
12 I've lived in the present location for 60 years, and because
13 I'm a dairy farmer, I'm outside seven days a week, and 365
14 days out of the year. And I'm out in the morning, and I'm
15 typically out most of the day, many times late in the day.
16 I live approximately three miles east, a little bit north of
17 the plant. We have had no problems with any kind of air in
18 our house or outside, no problems with our cows that are
19 outside, and so I'll be in favor of this permit. Thank you.

20 HEARING OFFICER MATOESIAN: Thank you, Mr. Holmes. The
21 next speaker, I have a possible, I believe, Ann Kaser?

22 MS. KASER: My name is Ann Kaser, K-a-s-e-r. I live at
23 1974 North Heitter Road. It's a Freeport address. It's
24 right by Elroy. There's been times when I could not be

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1 outside because of the smell, and, of course, now that the

2 dryer is shut down, we haven't had as much of that, but I can
3 smell it when I drive in and out of Lena every time, which is
4 frequently. I had the thought that -- I drove all the way to
5 LaCrosse and back several times this fall. The only place
6 that I smelled anything was coming down Stage Coach Trail
7 past that ethanol plant. I think that's weird. I can drive
8 through two states and back, and the only place that it
9 stinks is going past our ethanol plant.

10 The other thing I'd like to mention, at least one
11 of our speakers has dwelled on the money issues of the
12 investments that have been made. And for the first several
13 months, I was very swayed by the feelings I had of compassion
14 for the people that have invested in this plant. And this
15 isn't going to be a popular thing to say, but we lost quite a
16 lot of money in the stock market. A lot of people we know,
17 and a lot of people here, I'm sure, have lost quite a bit of
18 money in the stock market. The economy is not good. That
19 was due to circumstances maybe beyond our control, the fact
20 that we made some bad choices, that our investments didn't
21 pan out the way we had hoped and planned that they would.
22 That happens to people. The monetary issues are not in
23 question here, it's the quality of air that is in question
24 here and whether or not anybody should have to breathe other

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45

1 than fresh air. And I hope that that is what the decision is
2 based on, not on pressure, monetary pressure, emotional
3 pressure, anything other than we want our fresh air, and we
4 are entitled to it. Thank you.

5 HEARING OFFICER MATOESIAN: Thank you, Ms. Kaser. The
6 next speaker I have is Jay Butson?
7 MR. BUTSON: Good evening. My name is Jay Butson. I
8 live at 358 South Main Street in Pearl City, Illinois, which
9 is about six miles south of the plant. I'm speaking on
10 behalf of myself as an individual. I've never smelled
11 anything from the plant in Pearl City at all. I speak on
12 behalf of several of the neighbors around there. I never
13 have smelled anything in Pearl City. As you look around the
14 area here, this is a rural area, and it's a farm community.
15 And as you drove up here from Springfield or wherever, you'll
16 notice that, you'll see a lot of farms, and those farms don't
17 have a lot of livestock and such on them anymore or a lot of
18 hogs anymore. This area has changed because the economics of
19 farming, and having lived in Pearl City for over 20 years,
20 grain is performing in our area. And for this plant to be
21 built here is a godsend for the farmers in this area. It has
22 raised the price of corn around here, and it's created many
23 jobs for the folks around here and at a time when there is
24 economic depression statewide, the area has suffered job

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46

1 loss.

2 I run a small business in Freeport, Illinois, and
3 I've seen the change in the amount of dollars our business
4 has incurred just simply because the jobs aren't here
5 anymore. With that I would like to leave with you an ad that
6 was put out by Adkins Energy stating what this project has
7 brought to the community itself, and that is there are over

8 300 Adkins Energy shareholders involved in this plant. There
9 are over 900 Pearl City area elevator members who sell corn
10 to this plant. There are 200 customers that purchased
11 distillers' grains and such right now. There's over 400
12 families and suppliers that work with Adkins' plants.
13 There's 35 trucking companies that haul distillery's grains
14 from that, and many companies that haul grain to the plant.
15 So in light of that, I believe that it's a benefit for the
16 whole area to have the plant in working condition. I think
17 it's been said without question that everybody supports
18 having the thing fixed, and I would beseech you to make that
19 decision rather quickly, and issue them the permits to
20 continue on and get the thing fixed and working the way it
21 was intended to. Thank you.

22 HEARING OFFICER MATOESIAN: Thank you, Mr. Butson. The
23 next speaker I have is Mr. Robert Kepner?

24 MR. KEPNER: My name is Robert Kepner. I reside at 1282

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47

1 North County Divide Road in Lena. I am a farmer, a
2 shareholder in Adkins. I think, first of all, the
3 individuals for the directors and members of Adkins need to
4 be commended for their perseverance in building and
5 constructing, operating this plant, the employees of the
6 plant. It is definitely an economic boom to the community,
7 the rural farming community. We are pretty heavily involved
8 in the Mideast. As you all know, we just captured Saddam the
9 other day. We hear this is about freedom for the Iraqi
10 people, but I think really the underlying cause is to insure

11 ourselves a source of energy for the generations to come. We
12 all read the news, the soldiers that have been killed, the
13 young guys killed, wounded so we can have a source of oil.
14 The Adkins Energy ethanol plant is a small step in trying to
15 achieve some independence from this burden of having to
16 spread ourselves around the world and put our, you know,
17 younger generations at risk so we can have the freedom to
18 drive cars and freedom of movement, freedom to live the style
19 that we do.

20 I note with some interest in the report that you
21 have, I just saw it tonight, the carbon dioxide or carbon
22 monoxide emissions in the plant are 40 some tons per year.
23 would you have any estimate, or make some type of educated
24 guess what the carbon monoxide emissions in the town of Lena

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48

1 would be during the course of a year from cars maybe just
2 needlessly driving, not even to work?

3 MR. ROMAINE: No, I wouldn't.

4 MR. KEPNER: Forty tons per year would be -- well, let's
5 see. That would be about two-and-a-half tons per month,
6 several hundred pounds a day. To me that sounds awfully,
7 awfully low. It takes a craftsman to build a house, but any
8 idiot can tear it down. Now, let's not let that happen
9 here. I urge you to go with these agreements that you've
10 made with Adkins. I'm not a lawyer, but I have a copy of
11 this proposal that you have, and it looks awfully detailed
12 and awful thorough to me. Thank you.

13 HEARING OFFICER MATOESIAN: Thank you, Mr. Kepner. The

14 next speaker I have is Mr. Francis Dole.

15 MR. DOLE: I thank you for the opportunity this evening
16 to be heard. My name is Francis Dole. I reside with my
17 wife, Barbara, at 214 East Mason Street, Lena, Illinois.
18 We've been residents in this house since 1978. I have been a
19 resident of Lena since 1965 with the exception of three years
20 in which I lived -- we lived in a company house outside of
21 Kent Cheese Company in Kent, Illinois. When I came to Kent
22 Cheese Company in 1955, I inherited a problem much like
23 Adkins has just acquired; that is, the company that I went to
24 work for had no industrial waste treatment plant. For all

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49

1 intents and purposes, somebody sold them on the idea to put
2 in a spare irrigation system 150 feet on each side of an
3 intermittent stream where the industrial waste from the plant
4 was combined with the ground drainage water from a mile of
5 subsurface drainage tile in the yellow basin area. To make a
6 long story short, I put in an abatement order, turned it
7 around into the best achievable technology at work in 1976
8 whereby there was absolutely no discharge of suspended solids
9 and BOD. It took great passion to resolve this problem,
10 great focus, great amounts of energy and work. The two most
11 significant problems that I had in reaching the best
12 achievable technology of no discharge of any pond of water to
13 the same stream with the exception of my non-contact coolant
14 water in which I had an NPDE permit. The most difficult
15 issues that I had to face was unknowledgeable investors.
16 That was one of the two most difficult issues.

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17 I, like this process here that we're discussing,
18 was in the fermentation industry. I have been in the
19 fermentation industry all of my life. I have dealt with
20 acidic acid, phosphoric acid, sulfuric acid, in all forms for
21 over 20 years on the acids and over 40 years on the hydraulic
22 line. I thoroughly respect the damage that these components
23 can do to health. The other issue that was the most
24 difficult thing that I had to overcome were the engineers who

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50

1 basically put packages together for 15 percent to 25
2 percent. I, therefore, never, never, never delegated
3 critical process decisions to my engineer, because he was
4 just getting 15 percent. I had to pay the bills, and I had
5 to meet with the mandates of the then sanitary water board,
6 which was at that time, I think Mr. Claussen was the
7 secretary of the sanitary water board.

8 I received that USEPA research and demonstration
9 grant, and the results of that best achievable technology is
10 published in every federal library in the nation. I do
11 believe that this problem does not have to exist. I think
12 that there are certain things that are driving this model,
13 and I think one is tremendously high commissions. I do
14 believe that the issue with respect to the emissions is
15 certainly not justifiable. It injures rights. It injures
16 bundled titled property rights. It involves torts of serious
17 nature, and it's costly. Thermal oxidizers are also costly
18 to operate, the amounts of gas. I believe that if you can
19 concentrate -- I have always felt that if you can isolate and

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20 concentrate your components so that they are manageable, that
21 it is less expensive to process. Let me give you an
22 example.

23 In my process to reach a zero discharge emissions
24 from both water solids, BOD suspended solids, which was a

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51

1 population equivalent load of 32,000 people. Larger than, at
2 that time, the size of Freeport, Illinois. I accomplished
3 the monthly operating cost of approximately \$350 a month for
4 the production of 50,000 pounds of cheese, five-and-a-half to
5 six days a week. With the recapture of my BTUs heat from my
6 away stream going out combined with the overall cost of the
7 operation of the plant, the waste treatment facility, I had a
8 positive cashflow. I was able to drop my natural gas bill so
9 significantly that it covered all operating costs. My waste
10 treatment plant, which had a population equivalent load of
11 over 30,000 people, I would have to spend time in my car
12 sleeping to spend 40 hours every quarter. All you had to do
13 was focus, focus, focus. And I believe that in the process
14 of running this cheese plant for two decades in achieving
15 this contest, I waived three U.S. Patents. One was the
16 treatment of the cheese plant waste water in area lagoons. I
17 waived that patent to the dairy industry of the United
18 States. I also waived the patent on the rapid detection of
19 antibodies in milk using an inert block unit to constantly
20 control them. I also waived the patent on what you call four
21 chambered settling of CIP solutions so that we could
22 recapture, settle out the solids and reuse the phosphoric

23 acid solutions which were modified with high density and low
24 density phosphates and running agents. These three processes

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52

1 I waived my patents on. I make one more offer. I believe
2 that this plant can run without any emissions of any nature
3 whatsoever. Absolutely none. This plant is located so close
4 to the village of Lena. It's within the proximity itself of
5 a thousand students. This township bears looking into. And
6 it basically is doing the same thing that I did with my
7 industrial waste treatment plant is that I isolated the
8 solids from the mass stream, and I operated with the
9 perception that hey, if I don't have any water, I don't have
10 a water pollution problem. Simple. That's all there is to
11 it. If you don't have any water, you won't have a water
12 pollution problem. If you don't have any air emissions, you
13 don't have an air pollution problem. So how do we do that?
14 Do we take all the emissions that we got and restrict them as
15 much as we can, because when we do so we save BTUs of heat
16 and natural gas and save money. So we take all of our
17 emissions and we put them in the water. Put them in the
18 water, and you then settle them out. Settle them out, I
19 would suggest maybe a cone principle, because with the cone
20 principle you can drop all of the solids to the bottom, the
21 water can be taken off the top, the solids then could be
22 isolated, further dewatered and then incinerated and then
23 incinerated in a thermal oxidizer with all of the airborne
24 coming off that thermal oxidizer recycled so that there's no

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1 discharge.

2 This plant can be designed with no discharge. This
3 will never happen without focus. This will never happen
4 without passion. This will never happen without commitment.
5 I believe it's achievable. It hasn't been done. But what I
6 did when I was with the Kent Cheese Company 30 years ago was
7 never done either. And like I said, my two biggest problems
8 were my investors, primarily, and I say this with exception,
9 because they grew up on the streets of Chicago during the
10 depression, and sold cookies for a nickel a day. But they
11 did survive in Chicago from 1903 to 1995. The next thing is
12 that, like I said, I absolutely would not delegate any
13 authority to any engineer without thoughtful process first.
14 The only thing I ever let my engineers do was establish the
15 grade at which things were done. And then once my concept
16 was secure, I had them be the liaison between me, my company
17 and the Illinois EPA. That is all.

18 I have a very, very good understanding of
19 administrative law, probably in excess of 10,000 hours of
20 study. I have exhausted these administrative rights pursuant
21 to Federal EPA. You'll notice that this is not pursued to
22 the EPA. I would prefer to see where all rights were
23 protected.

24 Now, I am in support of the success of Adkins

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1 Energy but not without irresponsibility. My gosh, that's a
2 corporate responsibility, and it has horrendous implications
3 and thousands and thousands of dollars that have been wasted
4 on legal fees haggling over rules about whether or not
5 someone isn't operating after 30 million gallons of ethanol
6 has been produced. That's not the way to solve the problem.
7 We have to focus on the objective where there is no
8 emissions, absolutely none, because, again, the title
9 property rights includes minerals rights, ground rights and
10 airspace rights. And my airspace rights have been encroached
11 since June of 1992. I'm insulted by it. I do not like the
12 perception that has been delivered by the Illinois EPA, the
13 perception is that there has been a right delivered to
14 provide -- and to use our air basin which is necessary to
15 life.

16 It is well-known what the dangers of air pollution
17 are to health. The end result is premature death. That's
18 clear. The body of literature, in case we need to add more,
19 there's all kinds of health departments, all kinds of
20 hospital research departments that will document the dangers
21 of air pollution. So anyway, I encourage the investors and
22 they're independent people, they're innocent people. They're
23 good people, the board of directors of the LLC, they're
24 really good people. They're looking for an opportunity. But

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1 folks, you can't be making your own choices, especially when
2 they have serious impacts on people. Serious issue with
3 regard to the law and a nuisance. A nuance is such a serious

4 issue with regard to the law, the implications that are
5 associated with it. I encourage the investors, the
6 stockholders, the board of directors, to develop a passion to
7 get rid of the emissions. The proposal that's on board, as I
8 think I've told you, is inadequate, and I think -- I believe
9 John Pinnon. I believe that -- when I met John Pinnon a
10 couple of months ago, he told me, Fran, he said, with our
11 experience with our German clients in the United States, he
12 says I believe that I can get our BOD down to one ton a
13 year. The proposal on your notice is 400 tons when you add
14 everything up. I think that's absolutely objectionable,
15 absolutely intolerable, absolutely unlawful, and we need to
16 redirect where we go. We need to redirect to no emissions.
17 Get it in the water, and absolutely have no water
18 discharged. There's no need for it. It's a legality. It's
19 a paradigm. And only if you focus on those issues and get
20 people that will focus on those issues can this issue be
21 resolved in this particular manner. So that is all I have to
22 say. I want to thank you for your time, and if you would
23 like more content than that, I would be happy to spend some
24 time with you. Thank you.

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56

1 HEARING OFFICER MATOESIAN: Thank you, Mr. Dole. The
2 next speaker is George Kepner.

3 MR. KEPNER: Thank you for the opportunity to speak here
4 tonight. My name is George Kepner, K-e-p-n-e-r. Address is
5 14117 East Chelsea Road, Lena, Illinois. I'm an Adkins
6 shareholder, local farmer. Our family has farmed here in the

7 area for -- well, since before the Civil War. There's a
8 number of people here that can say that too. I'm not the
9 only one like that. I'd just like to comment that I am in
10 favor of the permits being approved for Adkins. There's been
11 some mistakes made. They didn't start out on the right foot,
12 and I don't think you're going to find anybody here that's
13 been happy about that. I'd like to see the plant operate
14 with the dryer in a manner that suits everybody, the EPA and
15 the Lena community.

16 I'd like to comment about the plant in Monroe. My
17 wife works in Monroe at the hospital and has made a habit of
18 asking people in the Monroe community what they think of the
19 ethanol plant in Monroe, does it smell, is it offensive, and
20 I've yet to find one person to have anything negative to say
21 about the plant in Monroe. It's kind of a nonissue. Most
22 people don't even hardly know it's there. It's considered
23 to be an asset to the community, and I'd like to think that
24 Adkins can be a genuine asset to the community here long

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57

1 term. If the name out in front of the entrance gate ends up
2 being Cargill or ADM, I have a feeling that if it's owned by
3 somebody else, those folks will kind of do whatever they
4 want. When you have deep pockets like those firms do, they
5 tend to pay the fine and just go their merry way. They have
6 a history of doing that, and Adkins Energy is mostly locally
7 owned, and we want it to be a positive member of the
8 community. Thank you.

9 HEARING OFFICER MATOESIAN: Thank you, Mr. Kepner. That
Page 51

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10 is all the speakers I have listed. Is there anyone else who
11 wishes to make a comment or ask a question? And I see
12 someone over here (indicating). Again, please state and
13 spell your name for the record, give your address and state
14 your position on the issuance of the permits, please.

15 MR. LAWFER: My name is Ronald Lawfer, 14123 Burr Oak
16 Lane, Stockton. I'm a resident of northwest Illinois.
17 You've heard the history of a business tonight that markets
18 corn and produces a by-product, ethanol, as well as a product
19 that's useful in livestock production. I want to thank the
20 Illinois EPA for holding this hearing for the chance to see
21 the community, see the commitment of the community for this
22 particular enterprise. I think the permit process that has
23 went on shows the commitment that Adkins Energy has for this
24 to work out a solution to solve the problems. I realize that

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58

1 the Illinois EPA may be plowing some new ground, because
2 we're talking about an industry that's relatively new in the
3 state of Illinois, but an industry that's very vital to the
4 state of Illinois, and there needs to be additional ones that
5 come on board. I ask that the Illinois EPA show the same
6 commitment to granting this permit and working out and
7 solving the problems of this plant, show the same commitment
8 that the people here and the people that are asking for this
9 permit, same commitment to not only pursue on this permit,
10 but I ask the EPA to work with the people here to solve the
11 problems, not only for Adkins Energy but for the other
12 ethanol plants that will be coming on-line in the state of

13 Illinois. This is very important. Adkins Energy is very
14 important to northwest Illinois. The additional ethanol
15 plants are very important to the state of Illinois. I ask
16 you as a resident of the state of Illinois to live up to that
17 commitment to solve these problems. It can be done. Thank
18 you.

19 HEARING OFFICER MATOESIAN: Thank you, Mr. Lawfer. Do I
20 have any other questions?

21 MR. FLUEGEL: My name is Ron Fluegel, F-l-u-e-g-e-l.
22 Address is 2398 North Cross Hills Road, Lena, Illinois. I'm
23 here as a resident, as an Adkins equity shareholder. I'm
24 also on the Adkins Cooperative Board. I think we have a

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59

1 common consensus for the majority that we need to have a
2 problem we've had at Adkins corrected. I don't believe you
3 have anybody that is associated with Adkins that disagrees
4 that we purchased -- it's my understanding -- that we
5 purchased a piece of equipment with warranties and
6 guarantees, thought to be the newest technology, the best
7 that we could buy, and it didn't work to the warranties, to
8 the guarantees. Now we're asking to try to -- we want to be
9 in compliance, you know, with the State EPA. We want this
10 plant to be a large asset to the community. I've lived here
11 all my life. I'm a fourth generation farmer in the Lena
12 area. My children go to this school. I don't want to damage
13 my community. I want it to be an asset to this community.
14 So for these reasons I would hope that you would very much
15 vote in favor of these permits so we can progress in our

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16 plant and be a total asset to this community. Thank you.
17 HEARING OFFICER MATOESIAN: Thank you. Mr. Fluegel.
18 And do I have another question? Anyone? No? Okay then.
19 well, I will adjourn this hearing then. Thank you all once
20 again for attending and for your interest in this matter.
21 Again, on behalf of Renee Cipriano, the Director of the
22 Illinois Environmental Protection Agency, the Agency itself
23 and myself, I thank you all for coming. Good night.
24 (whereupon the hearing in this

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1 matter came to a close.)
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61

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I, MARGARET M. CIEMBRONOWICZ, CSR, do hereby
certify that I am a court reporter doing business in the
State of Illinois, that I reported in shorthand the testimony
given at the hearing of said cause, and that the foregoing is
a true and correct transcript of my shorthand notes so taken
as aforesaid.

MARGARET M. CIEMBRONOWICZ
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